STATE OF ILLINOIS SECRETARY OF STATE SECURITIES DEPARTMENT

IN THE MATTER OF: ALLODIAL INVESTMENTS, INC., IT'S)
OFFICERS, AND DIRECTORS, AGENTS, EMPLOYEES,
AFFILIATES, SUCCESSORS AND ASSIGNS, AND ART
A. SEGURA II, IT'S PRESIDENT, INDIVIDUALLY

FILE NO. 0900519

TEMPORARY ORDER OF PROHIBITION

TO RESPONDENTS:

Allodial Investments, Inc. c/o Deanna S. Ryan, R. A. 1030 West Wrightwood, Suite H Chicago, Illinois 60014

Allodial Investments, Inc. 4507 North Kedzie, Suite 201 Chicago, Illinois 60025

Art A. Segura II, President c/o Allodiał Investments, Inc. 4507 North Kedzie, Suite 201 Chicago, Illinois 60025

Mr. Art A. Segura II P.O. box 444 Brookfield, Illinois 60513

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, who has been fully advised in the premises by the staff of the Securities Department, Office of the Secretary of State, herein find:

1. That Respondent Allodial Investments, Inc., an Illinois Corporation ("Allodial"), maintained a business address at 4507 North Kedzie, Suite 201, Chicago, Illinois 60025.

- 2. That Respondent Art A. Segura II, an individual, ("Segura"), collectively with Respondent Allodial, (Respondents") maintained a business address at P.O. Box 444, Brookfield, Illinois 60513.
- 3. That on or about July 19, 2008, or thereabouts, Segura a representative of Respondents approached an Illinois resident ("Investor") and pursued a relationship with him for the purpose of selling the Investor a \$68,000.00 promissory note ("Note") issued by Allodial.
- 4. Segura told the Investor that Allodial would then purchase property and remodel it, and then sell it for a profit.
- 5. That in exchange for the \$68,000.00, Segura offered the investor the principal back plus interest of nine per cent per annum, plus ten per cent of Allodial's gross profit in four months.
- 6. That subsequent to the foregoing solicitation, on September 2, 2008 the Investor purchased the Note printed on an Allodial, form, dated October 30, 2008, for \$40,000 from Segura with a return of nine per cent (9%) per annum compounded quarterly, payable in four months, plus ten percent of Allodial's gross profit along with repayment of the principal.
- 7. That the activities described in paragraphs 3 through 6 above constitute the offer and sale of a Note and therefore a security as those terms are defined in Sections 2.1, 2.5 and 2.5a of the Illinois Securities Law of 1953 [815 ILCS 5] (the "Act").
- 8. That Section 5 of the Act provides, <u>inter alia</u>, that all securities except those exempt under Section 3 or those offered or sold in transactions exempt under Section 4 shall be registered either by coordination or by qualification prior to their offer or sale in the State of Illinois.
- 9. That Respondents failed to file with the Secretary of State an application for registration of the investment opportunity described above as required by the Act and that as a result the security was not registered pursuant to Section 5 of the Act prior to its offer in the State of Illinois.
- 10. That Section 12.A of the Act provides, <u>inter alia</u>, that it shall be a violation for any person to offer or sell any security except in accordance with the provisions of the Act.
- 11. That Section 12.D of the Act provides, <u>inter alia</u>, that it shall be a violation for any person to fail to file with the Secretary of State any application, report or document required to be filed under the provisions of the Act or any rule or regulation made by the Secretary of State pursuant to the Act.
- 12. That by virtue of the foregoing, Respondents have violated Sections 12.A and 12.D of the Act, and Respondents will violate the Act again if they

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make further offers, or if they make any sales, of the investment opportunity described above in the State of Illinois.

- 13. That the aforementioned findings are based upon credible evidence.
- 14. That Section 11.F(2) of the Act provides, inter alia, that the Secretary of State may temporarily prohibit the offer or sale of securities by any person, without notice and prior hearing, if the Secretary of State shall deem it necessary to prevent an imminent violation of the Act or to prevent losses to Investors that will occur as a result of prior violations of the Act.
- 15. That the entry of this Temporary Order prohibiting Respondents, Allodial Investments, Inc., it's officers and directors, agents, employees, affiliates, successors and assigns, and Art. A. Segura II, individually, from offering or selling the above-referenced securities in the State of Illinois is in the public interest and for the protection of the investing public and is consistent with the purposes intended by the provisions of the Act.

NOW THEREFORE IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Respondents Allodial Investments, Inc., it's officers and directors, agents, employees, affiliates, successors and assigns, and Art. A. Segura II, individually, are PROHIBITED from offering or selling securities in or from this State until further Order of the Secretary of State.

NOTICE is hereby given that Respondents may request a hearing on this matter by transmitting such request in writing to the Director, Illinois Securities Department, 69 West Washington Street, Suite 1200, Chicago, Illinois 60602. Such request must be made within thirty (30) calendar days of the date of entry of the Temporary Order of Prohibition. Upon receipt of a request for hearing, a hearing will be scheduled as soon as reasonably practicable. A request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for sixty days from the date the hearing request is received by the Department.

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PROHIBITION SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND SHALL CONSTITUTE SUFFICIENT BASIS TO MAKE THIS TEMPORARY ORDER OF PROHIBITION FINAL.

ENTERED: This 26th day of February, 2010.

JESSE WHITE Secretary of State

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State of Illinois

Attorney for the Secretary of State:

Samuel F. Freiman Illinois Securities Department 69 West Washington Avenue Suite 1220 Chicago, Illinois 60602

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